



Collective Bargaining in the Visegrád countries during the Covid-19 Pandemic

Country Report

June 2023

BARCOVID

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•• WageIndicator

CELSI

Central European
Labour Studies
Institute



Sant'Anna
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BARCOVID

The BARCOVID project aims to improve knowledge about the content of collective agreements in Europe and to undertake research activities to enhance the collection of comparative information on collective bargaining outcomes. The project takes in account the Covid-19 impact on industrial relations in Europe, which is approached from different angles, such as government measures and occupational health and safety. Lead partner is the University of Amsterdam/AIAS. The Central European Labour Studies Institute (CELSI), Sant'Anna School of Advanced Studies and WageIndicator Foundation are the project's key actors.

University of Amsterdam/AIAS-HSI

AIAS-HSI is an institute for multidisciplinary research and teaching at the University of Amsterdam (UvA), the largest university in the Netherlands. AIAS-HSI has as its objective the coordination, implementation and stimulation of interdisciplinary research into the practice of labour law and social security law. Therefore it combines insights from the social sciences, legal dogmas and legal theories in its research.

Central European Labour Studies Institute (CELSI)

Central European Labour Studies Institute (CELSI) is a non-profit research institute based in Bratislava, Slovakia. It fosters multidisciplinary research about the functioning of labour markets and institutions, work and organizations, business and society, and ethnicity and migration in the economic, social, and political life of modern societies. CELSI strives to make a contribution to the cutting-edge international scientific discourse.

Sant'Anna School of Advanced Studies

Sant'Anna School of Advanced Studies is a public university institute - with special autonomy - working in the field of applied sciences: Economics and Management, Law, Political Sciences, Agricultural Sciences and Plant Biotechnology, Medicine, and Industrial and Information Engineering. The School promotes the internationalization of didactics and research with innovative paths in the fields of university education, scientific research and advanced training.

WageIndicator Foundation

WageIndicator Foundation collects, compares and shares labour market information through online and offline surveys and research. Its national websites serve as always up-to-date online libraries featuring (living) wage information, labour law and career advice, for employees, employers and social partners. In this way, WageIndicator is a life changer for millions of people around the world.



Funding

BARCOVID (VS/2021/0190) is funded by the European Commission through its Social Dialogue Program.

Bibliographical information

Szüdi, G. (2023). *Collective Bargaining in the Visegrád countries during the Covid-19 Pandemic*. University of Amsterdam, Central European Labour Studies Institute, Sant'Anna School of Advanced Studies, WageIndicator Foundation.

Contact

Gábor Szüdi, gabor.szudi@celsi.sk

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1. Introduction

This short report aims to provide some insights on the development of the collective bargaining process in the Visegrád countries during the COVID-19 pandemic on the basis of data collected through renewed collective bargaining agreements. The findings stemming from the collected collective bargaining agreements are complemented with theoretical underpinning from a secondary research process.

Since there was a limited number of agreements (altogether 17 from all 4 Visegrád countries) that could be found and analysed within the BARCOVID project therefore we cannot claim that these findings are typical of the impact on each country and on each sector; however, they might provide some starting point for further analyses as regards the potential systematic changes initiated or accelerated by the COVID-19 crisis concerning industrial relations and/or collective bargaining in the region.

2. Industrial Relations System Characteristics and their Potential Impact on Collective Bargaining during the COVID-19 Crisis

The Visegrád countries have similar system characteristics concerning their industrial relations and social dialogue processes, in the framework of which collective bargaining also takes place. Social dialogue struggles with inefficient structures and faces major limitations, characterized by a low union and employer organisation density and unionisation rate in comparison to Western European EU Member States. Hence the coverage of collective bargaining (between 20-30%) is also low and there is a scarcity of multi-employer agreements beyond the public sector (Czarzasty and Mrozowicki, 2023).

The weakness of these actors is all the more disadvantageous from the perspective of collective bargaining since – with the exception of Hungary where works councils can negotiate a quasi-collective agreement with employers in the absence of trade unions (Borbély and Neumann, 2019) – trade unions and employers or their relevant associations are the sole representatives in collective bargaining.

Collective bargaining practically takes place on two levels, at company level and at the so-called “higher level” (multi-company or sectoral level). There is no real bargaining ongoing at the national level, while sectoral agreements provide only for a general framework of employment conditions. There is a dominance of single-company bargaining, highlighted by the small number of higher-level agreements in each country (Szüdi, 2021), with the exception of Slovakia where multi-employer and industry-level bargaining is still dominant, but the relevance of single-company bargaining is increasing (Kahancová, Martisková, Sedláková, 2019).

As already detailed in Szüdi (2021), even before the crisis, some legislative developments pointed towards the further gradual erosion of the already fragmented and inefficient collective

bargaining process in the region; for instance with the new Hungarian Labour Code adopted in 2012, coupled with (governments attempts for) similar restrictive labour measures for employees all across the region.

Based on recent studies and corresponding with our findings from the data collected through collective agreements within the BARCOVID project, the COVID-19 crisis seems to have exacerbated these inherent weaknesses in the social dialogue and collective bargaining processes, at least in Hungary and Poland where the respective governments have a more authoritarian view character.

As Czarzasty and Mrozowicki (2023) points out, the crisis in Poland “*amplified the phenomena that had been already present before, namely serious imbalance of power within the tripartite relations among the state, the employers and the trade unions. It also encouraged voluntaristic tendencies of the government, with public policymaking disregarding social concertation.*”

Similarly, the Hungarian government used the opportunity for suspending consultations and avoiding social dialogue (ILO, 2022). The government has systematically ignored the social partners and enacted emergency decrees that provided the relevant authorities with enhanced powers in the process of social dialogue, leaving employees more vulnerable to market forces (see the case study on the Hungarian automotive industry in Hungler and Árendás, 2022).

In contrast, we observe no such systematic attempt of power concentration from the side of the government in the Czech Republic and Slovakia during the crisis which can be explained by the different nature and characteristics of the general political (party and representative) system and the related balance with social dialogue stakeholders. The main issue within these two countries seems to be rather an inability to implement effective workplace measures mitigating the economic, social and health impact of the pandemic (Jurajda, Doleželová, Zapletalová, 2021; Caprile, Asaranz, Sanz, 2021; Hrivnák, 2021).

3. Collective Agreement Renewals during the Pandemic: Evidence from the CBA Database

The ineffective functioning of the collective bargaining is also visible from the problem of data collection encountered by the relevant researchers in the BARCOVID project (and its predecessors). The countries all maintain a national registration system for collective agreements but it is only available for higher-level agreements (Czech Republic, Slovakia), the importance of which is limited, or the full-text agreements are not available for free for external studies (Hungary, Poland). Therefore, the data collection from the official sources needed to be complemented with a secondary research process utilising trade union contacts. More detail on the limitation of the data collected is available in Szüdi and Fidrmuc (2023).

Thus, altogether 17 pairs of CBAs from the Visegrád countries could be analysed for this report. Each CBA is analysed in pairs, consisting of a pre-pandemic version (before March 2020) and a renewal since the start of the COVID-19 pandemic. The CBA-pairs can be broken

down by country as follows: Slovakia with 14 CBAs, Czech Republic with 12 CBAs, Poland and Hungary with 4 CBAs each, showcasing the different level of difficulties experienced at the data collection process, as well as the potentially higher level of challenges experienced in collective bargaining in Hungary and Poland.

We note that this number might mean that some other agreements were renewed but the involved researchers could not locate the (full) texts. We have information of more renewed agreements from Poland but could not work with full-text renewed agreements therefore these CBAs were ultimately dropped from the final analysis presented in this report.

With regard to sectors, the CBAs are quite diverse, consisting of transport, logistics and communication (6 pairs of agreements), waste treatment, sanitation, supply of electricity, gas and water (3 pairs of agreements), construction (2 pairs of agreements) and education research (2 pairs of agreement).

Based on the data from the collective bargaining we observe that COVID-19 did not become a prominent topic within the CBAs in the region. Only 4 agreements had an explicit mention of COVID-19-related arrangements, all from the Czech Republic and Slovakia, highlighting a potentially higher level of influence of social partners in social dialogue in these countries.

However, even in these countries, the proposed COVID-19-related measures do not deal with direct actions to be taken with regard to the pandemic, such as the compulsory use of masks, sanitization, vaccination or social distancing. They rather tend to stipulate more beneficial (flexible) working conditions for employees, including temporary work, wage negotiation or the discussion on new health and safety provisions.

This is in line with the other clauses in collective agreements appearing with the COVID-19 crisis. All of them seem to be in benefit for the employees and include most prominently new and more diverse types of flexible working condition arrangements, such as flexible hours, extended leave or changing work-status. Interestingly remote work (home office) is not featured more prominently in the renewed agreements, showcasing a potential lack of interest of (public) employer representatives in implementing such measures even after the pandemic.

In addition, employees could benefit from more once-only bonuses in the post-pandemic situation. While totally absent pre-pandemic, such bonuses consisted of social assistance, anniversary bonuses or childbirth bonuses all mitigating the potential adverse effects of a pandemic in an indirect way. Paid leave for relatives in need, such as children was also more of a topic in the negotiation, underlined by its inclusion in more agreements after the pandemic.

Another trend is that health and safety provisions have more diverse clauses directly related to mitigating the potential health effects of COVID-19 in the post-pandemic agreements. While the most important monitoring measure was related to professional risks before the pandemic, the relationship between health and work became more relevant after the crisis, showcasing a potentially higher interest in health (and sanitary) measures in the working place.

While these new clauses mostly appeared in Slovak and Czech agreements (again confirming the theory of a less government 'authoritarian' stance in social dialogue in these countries), we must note that explicit clauses on flexible work arrangements have also been newly included in each Polish and Hungarian CBAs in the post-pandemic settings. This might mean that where

the trade unions and other employee representatives had enough leverage with the government during collective bargaining, they could achieve similar social dialogue results as in Slovakia and Czech Republic. However, due to the very small number of agreements from Poland and Hungary we cannot generalise this finding beyond this observation.

4. Conclusions

Based on the theoretical background on industrial relations systems – which emphasizes the similar overall characteristics of all countries in the region but still focuses on relevant differences between two country groups (Czech/Slovak vs Hungary/Poland) – and on the data gained from 17 pairs of CBAs across the region, we observed that the collective agreement process continued with the same inherent weaknesses as before the COVID-19 crisis.

Social dialogue could process with less direct inference from the (central) government actors in the Czech Republic and Slovakia than in Hungary and Poland (where the ‘illiberal’ tendencies of the governments manifested in attempts of more state power centralisation in social dialogue), which is visible in the number of renewed agreements found across countries (only 2 in Hungary and Poland, while 6 and 7 in the Czech Republic and Slovakia respectively).

The content of the renewed agreements also underlines the political reality in the different countries: Czech and in particular Slovak agreements tended to contain more favourable clauses for the employees post-pandemic, including among others the addition of once-only bonuses, more diverse and beneficial arrangements for flexible working time and conditions, as well as more health and safety provisions directly related to the effects of COVID-19.

Since our findings are based on a relatively small sample of CBAs with a diverse but unbalanced sectoral distribution therefore it would be interesting to continue this research by gathering more systematic data from all countries in the region, in particular taking into account the drastically changed geopolitical and socio-economic context following the Russian aggression on Ukraine in February 2022 (with all its ensuing effects, such as inflation, migration and energy crisis).

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